

NEW JERSEY REAL ESTATE COMMISSION

NEW JERSEY REAL ESTATE COMMISSION ) DOCKET NUMBER ESS-17-017  
) (REC Ref. No. 10003820)  
Complainant, )  
) ORDER TO SHOW CAUSE  
v. )  
)  
WILLIAM H. MATTHEWS, licensed New Jersey )  
real estate salesperson (Ref. No. 9484897) )  
)  
Respondent. )

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THIS MATTER being commenced by the New Jersey Real Estate Commission in the Department of Banking and Insurance, State of New Jersey, on its own motion, pursuant to the provisions of N.J.S.A. 45:15-17, 45:15-18, 45:15-19.2 and N.J.A.C. 11:5-1.1 et seq., and it appearing that:

1. Respondent William H. Matthews (“Matthews”) is a licensed New Jersey real estate broker-salesperson, who was first licensed in 1994, and is currently licensed with HFY Real Estate Group, LLC, whose office is located at 31-35 Lehigh Avenue, Newark, New Jersey 07112. Prior to being licensed with HFY Real Estate Group, LLC, Matthews was licensed with Here For You Realty, LLC, whose office was located at 400 Irvington Avenue, South Orange New Jersey 07079; and

2. In or around December of 2014, Matthews became the broker of record for Here For You Realty, LLC, after the previous broker of record, Charles Onwuka passed away. Thereafter, Matthews acted as broker of record for Here For You Realty, LLC until the office was closed on April 31, 2016; and

3. On or about November 5, 2014, Matthews signed a “New Jersey Real Estate Commission Change of Broker of Record Affidavit Form”. In that form, Matthews certified that the following statements are true:

- a. as the prospective broker of record, Matthews assumed custody and responsibility for the maintenance of all funds held in the firm’s escrow or trust account;
- b. as the prospective broker of record, Matthews reviewed all pending transactions and was satisfied that all funds of others received by the firm were accounted for;
- c. all records required to be maintained pursuant to N.J.A.C. 11:5-5.4 were turned over to the custody of Matthews, who acknowledged the receipt of the same and his responsibility to maintain them; and
- d. Matthews acknowledged that he made the affidavit in compliance with N.J.A.C. 11:5-3.9, and executed it for the purpose of inducing the New Jersey Real Estate Commission to issue a new real estate broker’s license to the firm designating Matthews as its broker of record;
- e. Matthews was aware that if any of the statements contained in the affidavit were willfully false, Matthews would be subject to sanctions by the Commission; and

4. Within a few months of becoming broker of record for Here For You Realty, LLC, Matthews was approached by Juan Guevera, who indicated that he was seeking the return of deposit monies that had previously been provided to Charles Onwuka for the purchase of the property located at 33 Jacques Street, Elizabeth, New Jersey 07201 (“33 Jacques Street”); and

5. Mr. Guevara produced an "Escrow Letter", dated May 19, 2014, certifying that \$47,000 was received by Here For You Realty, LLC, and being held in trust for the purchase of 33 Jacques Street. Mr. Guevara also produced a number of "Deposit Receipt" letters indicating the receipt of \$25,500 in various cash and check payments, by the firm during diverse dates in February of 2014. The Escrow Letter and the deposit receipts were on Here For You Realty, LLC letterhead, and appeared to be signed by Charles Onwuka; and

6. According to Matthews, there was no contract of sale or any other transactional documents on file at Here For You Realty, LLC for 33 Jacques Street, and there was no record of the above described funds ever being deposited into the company's trust account; and

7. After becoming aware of the alleged \$47,000 in missing deposit money, Matthews never notified the Commission; and

8. On or about November 24, 2015, a complaint was filed with the Commission by Elaine Harris, the attorney for Juan Guevara, concerning the allegedly missing deposit funds; and

9. During the course of the Commission's investigation into the matter, Matthews stated to the assigned investigator that he never reviewed any documents or bank records, and that he never balanced the escrow account when he assumed the role of broker of record; and

10. Respondent's conduct is in violation of N.J.S.A. 45:15-17(e), (two counts), in that his conduct, as described above, demonstrates incompetency. Specifically, Matthews demonstrated incompetency by failing to alert the Commission of the missing deposit money, and also by failing to review Here For You Realty, LLC's books and records prior to assuming the role of broker of record for the firm; and

11. Respondent's conduct is in violation of N.J.S.A. 45:15-17(a), in that Matthews misrepresented that he had reviewed, or would review, Here For You, LLC's books and records on the change of broker affidavit.

And for good cause shown,

IT IS on this 28<sup>th</sup> day of June, 2017

ORDERED that Respondent William Matthews shall show cause why his real estate license should not be suspended or revoked and/or why fines or other sanctions should not be imposed pursuant to N.J.S.A. 45:15-17 and N.J.A.C. 11:5-1.1. Respondent shall file a written Answer to the charges in this Order to Show Cause as required by N.J.A.C. 11:5-11.2 within twenty (20) days of the service of this Order. As required by N.J.A.C. 11:5-11.2, Respondent's written Answer must include specific admissions or denials of all allegations in this Order to Show Cause, state the factual basis of each and every factual allegation denied, and assert any defenses that Respondent intends to present in the event that this matter is deemed a contested case and a plenary hearing is held; and


IT IS FURTHER ORDERED that failure to comply with all of the requirements of N.J.A.C. 11:5-11.2 may result in a determination that there are no material facts or issues of law in dispute and any presentation made to the Commission will be limited to the issue of the severity of any sanction or penalty to be imposed; and

IT IS FURTHER ORDERED that the Commission will review this Order to Show Cause and Answer(s) filed, if any, at a meeting scheduled on or after the 8<sup>th</sup> day of August, 2017 at 9:30 a.m. to determine whether there is a material fact or issue of law contested. No appearance is required at that time; and

IT IS FURTHER ORDERED that if the Commission determines that there is a material fact or issue of law contested, a hearing will be scheduled for a future date; and

IT IS FURTHER ORDERED that if the Commission determines that there is no material fact or issue of law contested, a hearing shall be scheduled at which the Respondent will be limited to presenting witnesses and documentary evidence regarding the issue of the severity of any sanction or penalty to be imposed; and

IT IS FURTHER ORDERED that a copy of this Order be served upon the Respondent as provided in N.J.S.A. 45:15-18, which service may be accomplished by serving a copy of this Order on the Respondent personally, or by delivering a copy thereof to her last known business address via certified mail.



Patrick J. Mullen  
Director, Division of Banking  
New Jersey Department of Banking and Insurance  
Real Estate Commission